

In the United States
Circuit Court of Appeals
For the Ninth Circuit.

Haynes Stellite Company, a corporation,

Appellant.

vs.

Stoody Company, a corporation,

Appellee.

APPELLANT'S OPENING BRIEF.

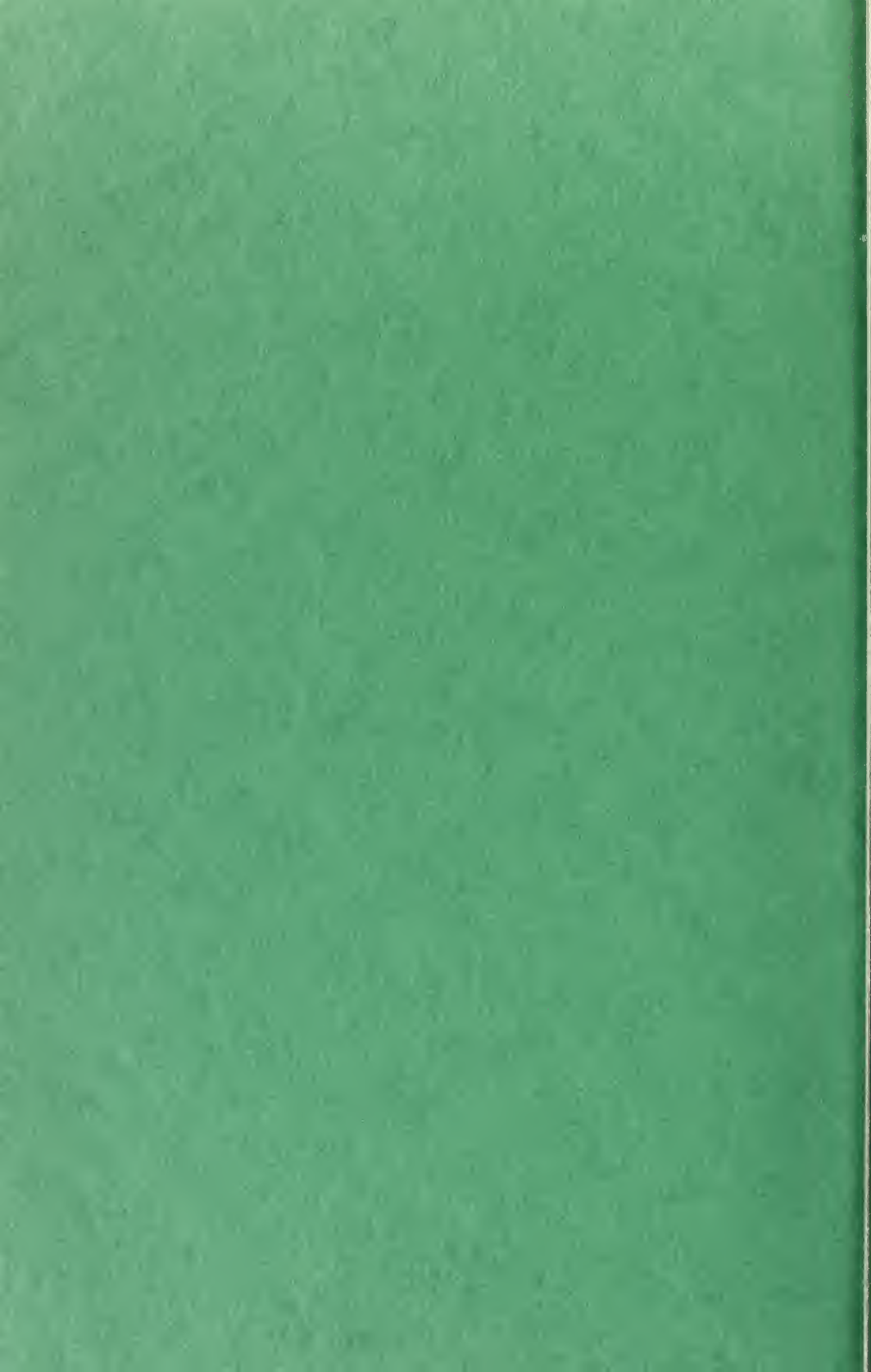
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APPELLANT'S OPENING BRIEF.

This is an appeal from an order [R. 128] of the District Court of the United States for the Southern District of California granting an injunction *pendente lite* in a suit for alleged infringement of patent 1,803,875, granted May 5, 1931, for an alleged novel "Method of Facing Tools." (R. 16-20.)

The motion was heard and determined upon the bill of complaint, answer, an affidavit on behalf of plaintiff setting forth the acts of alleged infringement, certain documentary proofs, and affidavits on behalf of defendant, the facts contained therein being uncontroverted and neither

impeached nor explained by any evidence or proofs submitted on behalf of plaintiff-appellee.

Defendant-appellant submits that it was an abuse of sound, legal discretion to grant said injunction; that the District Court should have denied said injunction, held said patent invalid and dismissed plaintiff-appellee's complaint.

It is well settled that a misapplication of the law to conceded facts is an abuse of discretion and will be reviewed. (*Winchester Repeating Arms Co. v. Olmsted*, 203 F. 493; *Hanover Star Milling Co. v. Allen & Wheeler Co.*, 208 F. 513, 523; *Union Tool Co. v. Wilson*, 259 U. S. 107, 112, 66 L. ed. 848, 852.) It is further well settled that where it appears upon a motion for temporary injunction that there is no controverted issue of fact to be determined, and the issues of validity and infringement are questions of law to be determined on the undisputed facts, and invalidity of the patent or non-infringement is clear, the Court should hold the patent invalid and dismiss the suit. (*Mast, Foos & Co. v. Stover Mfg. Co.*, 177 U. S. 485, 44 L. ed. 856; *Co-operating Merchants Co. v. Hallock, et al.*, 128 F. 596; *National Picture Theatres v. Foundation Film Corp.*, 266 F. 208; *Sommer v. Rotary Lift Co.*, 66 F. (2d) 809 (C. C. A. 9).)

ASSIGNMENTS OF ERROR.

Upon this appeal appellant assigns as error the order [R. 128-9] that preliminary injunction issue against defendant as in said order set forth, and in so doing the District Court erred—

- (1) In granting plaintiff's application for temporary injunction;
- (2) In not denying plaintiff's application for temporary injunction;
- (3) In not finding Stooddy patent No. 1,803,875 in suit invalid;
- (4) In enjoining the manufacture of defendant's Haystellite Composite Rod and defendant's Tube Haystellite;
- (5) In enjoining the sale of defendant's Haystellite Composite Rod and defendant's Tube Haystellite;
- (6) In not ordering that plaintiff's Bill of Complaint be dismissed. [Assignments of Error—R. 131-2.]

STATEMENT OF THE CASE.

The patent in suit purports to cover an alleged new method of facing tools. The only method described is to deposit a layer of material on the tool to be faced by melting thereon the end of the welding rod described in patent 1,757,601 granted to the same inventors. The only description of how to do this is contained in the sentence concluding, "by any suitable means such as an acetylene torch indicated at 6" [p. 1, lines 58-60—R. 17]. The application for the patent in suit was co-pending with the application upon which patent 1,757,601 was granted. Both applications described the same thing. The patent in suit purports to cover nothing more than using the rod of patent 1,757,601 for the only purpose and in the only way in which that rod could be used. In *Stoody Co. v. Mills Alloys, Inc.*, 67 Fed. (2d) 807, this Court held that there was no invention in the manufacture or use of that rod. Manifestly, the patent in suit cannot be sustained without doing violence to that decision in the absence of any disclosure of some new or patentable way of using the rod which this Court in its previous decision has said anyone has the right to make and use. As a matter of fact, there is no claim that the patent in suit describes anything new or unique about how to use a welding rod. The order appealed from in this case is directly opposed to the decision of this Court on patent 1,757,601. This Court has already found that there was no invention in the welding rod described in patent 1,757,601. If there had been anything new in the manufacture or use of such a rod, the earlier patent would have been upheld. To now allow the plaintiff to sustain the subsequent patent is to permit the plaintiff to circumvent the former decision of this Court. The use of the welding rod described in the patent in suit

is identically the use of the welding rod of the earlier patent. This welding rod is used no differently from any other welding rod. In substance, then, plaintiff is attempting by the order below to secure the identical monopoly which was denied to the plaintiff by this Court in its decision on patent 1,757,601.

In the patent in suit the alleged inventors recognize that the use of an acetylene torch to perform the welding was common and well known. The patent does not describe such method and refers only to the common practice and established common knowledge of the use of an acetylene torch in welding. The patent demonstrates that the inventors recognized the fact that nothing was required except to direct one to use the unpatented welding rod with an acetylene torch as commonly used in welding. These inventors do not assert, and they could not maintain, that they were the discoverers of acetylene welding. All that they said in the patent in suit is that the particular welding rod which they describe may be deposited on the tool by any suitable means, such as an acetylene torch. If there had been anything novel in the method, the patent does not disclose it and it does not comply with the requirements of R. S. Sec. 4888 (35 USCA, Sec. 33).

(*)

The patent clearly admits that the application or use of this particular welding rod requires no modification whatsoever of the ordinary well-known method of use or application. If there be any difference between the resultant

*"Before any inventor or discoverer shall receive a patent for his invention or discovery, he shall make application * * * and shall file * * * a written description * * * of the manner and process of * * * using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art * * * to * * * use the same, * * *."

deposit of weld and other deposits of welds by acetylene welding, it must be found in the choice of the materials used and not in the method. It is not even claimed by plaintiff-appellee that the manner of use of the welding rod is material to the result sought. The patentees chose particles of tungsten carbide because of its known excessive hardness and because it was known that it had a very high melting point, much higher than that of ordinary steel; because of the knowledge that if such tungsten carbide products were intermingled with steel of a lower melting point, the steel would be melted and fused onto the tool while the tungsten carbide particles would be merely embedded in such fused steel. This required no change whatsoever in the method of application. The patentees believed that they were the discoverers of the fact that tungsten carbide was of excessive hardness; that it had a very high melting point, and that if intermingled with steel of lower melting point, melting and fusing the steel would simply embed the tungsten carbide particles. But in this they were fully mistaken. This Court so found in the previous case of *Stoody Co. v. Mills Alloys, Inc.*, 67 Fed. (2d) 815. While the patentees thought they were the discoverers of these inherent properties and characteristics, and based their claim of discovery thereon, this Court has repudiated that claim and held that such properties and characteristics were well known before Messrs. Stoody and Cole ever heard of tungsten carbide. In the opinion of this Court (67 Fed. (2d) 815), this Court says:

“There is ample evidence in the record to support these findings.”

The findings referred to are those of the special master, approved by this Court, that—

“Summing up the prior art it is found that at the time of the appearance of the welding rod of the patent * * *

“(1) It was common practice to combine in rod form various steel substances intended for deposit in a weld and to use a steel tube filled with alloying substances for the purpose.

“(2) It was known that tungsten carbide could be used advantageously in hard surfacing cutting tools.

“(3) It was known that tungsten carbide was not materially affected by a temperature of the degree of the acetylene torch and that it formed a bond with mild steel or other matrix metals. * * *

“It is true that the use of the tube of the patent results in a more facile and economical application of the material in a weld. However, in view of the state of the art the step taken did not involve the necessary element of inventive thought, but was an improvement logically coming from workers in the art, who applied their skill and knowledge to a given problem.”

This Court correctly held that the patentees merely availed themselves of the common knowledge and used only the well known acetylene torch to melt the lower melting point metal, leaving the higher melting point tungsten carbide particles unaffected and merely embedded in the lower melting point metal; that this was an application of nothing but the common knowledge in the art of the inherent properties of the materials used. In fact, it was a result that was inevitable unless temperatures high enough to melt the highest melting point ingredient were employed. That tungsten carbide is of higher melting point

than ordinary steel is a well known scientific fact. It is disclosed in many technical works. It was amply proven in the record before this Court in 67 Fed. (2d) 807, and in the suit upon this alleged method patent against Mills Alloys, Inc. It is a fact of which the Court will take judicial notice.

One example that it was common knowledge that tungsten carbide particles would be merely so embedded in steel is the disclosure in the German patent to Siemens & Halske, No. 427,074 of March 25, 1922 [R. 101-105], in which it is stated:

“It appears that the tungsten carbide completely dissolves in the cobalt-chromium alloy and a perfectly homogeneous mass is obtained. With many other metals, the carbide is merely embedded. The advantages and disadvantages are governed in each case by the particular use of the substance.

“The form in which the tungsten carbide is contained in the finished substance naturally depends upon the metals used, it also depends upon the quantity of carbide used and upon various other circumstances.” [R. 104.]

Professor Francis W. Maxstadt, in his affidavit on behalf of appellant, after referring to the above quotation from said German patent, says:

“This patent clearly shows that tungsten carbide may be embedded in molten steel without difficulty and that it can be substituted without difficulty or change in procedure for the carborundum or other abrasive materials mentioned in the Chamberlin and Ringstrom patents.” [R. 89.]

As it was “common practice to combine in rod form various steel substances intended for deposit in a weld”

(Opinion of this Court, 67 Fed. (2d) 815), and “common knowledge that tungsten carbide would be merely embedded” (German patent, *supra*), it was not an inventive act to select as one component particles of tungsten carbide for its well known properties and to embed these tungsten carbide particles in the resultant weld by using the old well known acetylene welding method without change or effect and which use was necessarily to fuse the lower melting point steel without affecting the higher melting point tungsten carbide. Bearing in mind that we are dealing with the method and not with the product, and any difference in product was due solely to the difference in the selected ingredients and due only to the natural properties and characteristics of the selected ingredient, it is clear that there was nothing novel in a patent law sense in the product, and especially it is clear that the patent in suit teaches no new method of welding, but on the contrary merely suggests that any known method, such, for example, as the acetylene torch, may be used. In said original *Stoody Co. v. Mills Alloys, Inc.*, case upon said welding rod patent it was shown by the evidence, and the master so found, that the oxy-acetylene torch method was well known and in common use prior to the Stoody invention; [see Transcript of Record in said case, Vol. 2, p. 640, where the master states, “They were applied by the usual acetylene welding method”]; and that it was common practice to bind in rod form various steel substances intended for deposit in a weld, the use of a steel tube filled with alloying substances for the purpose, and to deposit or weld these on the tool by the oxy-acetylene method. Said German patent to Siemens & Halske, issued in 1926, made it public knowledge that tungsten carbide could be used in welding; that if such tungsten

carbide was mixed with many metals, the tungsten carbide was merely embedded in the mass so welded onto said body. This German patent completely refutes any contention that Messrs. Stoodly and Cole or either of them were the inventors or discoverers of the fact that where tungsten carbide is intermingled with mild steel or other matrix metals, and welded to a tool, the tungsten carbide particles would be merely embedded in the mass of metal thus deposited on the surface of such tool.

It is clear that Messrs. Stoodly and Cole were not the inventors or discoverers of—

- (1) tungsten carbide or that tungsten carbide particles could be embedded in a molten metal or alloy;
- (2) welding a harder metal on the face of a tool or bit;
- (3) using an acetylene torch as the means for producing the heat necessary to fuse the face of the tool or bit and the harder metal to be fused thereon;
- (4) the fact that if particles of tungsten carbide were intermingled with steel and the admixture subjected to sufficient heat to fuse or make molten the steel particles, the tungsten carbide particles would be unaffected and that, upon cooling, the tungsten carbide particles would simply be embedded in the steel.

Clearly, all these were public knowledge prior to 1927 when Messrs. Stoodly and Cole assert to have made such discoveries. What new method then did they discover?

This Court has heretofore determined that it was not in the welding rod of the patent in suit (or of patent 1,757,601), and was not in causing the welding by the acetylene torch.

The patent to Chamberlin, No. 1,572,349 [R. 94-95], discloses:

- (1) first associating together a metal of relatively low melting point and pieces of a hard substance of relatively high melting point,

and describes at lines 78-82:

“To insure that the crystals will be at the cutting end of the bit, in another method of manufacture, the crystals are first packed into a capsule of readily fusible material, such as lead, zinc, etc.”

Said Chamberlin patent further discloses:

- (2) supplying heat to the associated mass to cause the metal of low melting point to melt and be deposited on the tool and carry with it the pieces of hard substance depositing them on the tool,

describing this at lines 83-88 in the following words:

“* * * and in casting the bit in the mold, either by gravity or pressure, the heat of the cast metal will melt the capsule and the metal of the bit and capsule thereupon flows in around the crystals and binds them together in the end of the bit.”

The specification of the Chamberlin patent discloses:

- (3) without materially changing their identity.

It is thus seen that the Chamberlin patent discloses this welding without materially changing the identity of the pieces of hard substances and that these pieces are embedded in the weld.

It is well known that carborundum crystals will not melt even at temperatures very much higher than the melting point of the metals used to bind them in such a weld to the bit; it is also well known that in this molten metal these crystals will not change their identity. This was recognized by Chamberlin, for he says at lines 46-51 of his specification:

“The rotary motion of the drill bit edge against a hard substance, such as rock formation, brings the cutting edges of the *carborundum crystals* into play against said substance and causes a cutting or boring of the said substance to take place.”

Chamberlin says at lines 85-88:

“* * * will melt the capsule and the metal of the bit and capsule thereupon flows in around *the crystals* and binds them together in the end of the bit.”

This is clear recognition on the part of Chamberlin that the carborundum crystals remain intact and do not materially change their identity when subjected to this operation.

Chamberlin also discloses:

(4) causing a fusion to take place between the metal of low melting point and the metal of the tool,

See lines 83-88:

“* * * and in casting the bit in the mold, either by gravity or pressure, the heat of the cast metal *will melt the capsule and the metal of the bit* and capsule thereupon flows in around the crystals and binds them together in the end of the bit.”

While Chamberlin does not mention the tungsten carbide as the abrasive material to be used in his bit, nevertheless he states (specification, lines 15-18):

“* * * an abrasive material, such as carborundum crystals, although other metals and cutting crystals may be used.”

And at lines 34-37:

“These crystals preferably are carborundum crystals of large size, although corundum, garnet, alunite, etc., may be utilized in place of the carborundum.”

In his affidavit [R. 83-86], Professor Maxstadt applies the teaching of this Chamberlin patent in particular to claim 5 of the patent in suit and demonstrates the total lack of novelty. He points out in conclusion:

“It required no invention to substitute tungsten carbide for carborundum, since the properties of both were well known and both had been used as abrasives prior to both Stoodly and Chamberlin.” [R. 86.]

Clearly this Chamberlin patent discloses embedding high melting point abrasive particles in lower melting point metals. It is obvious if the user desired to substitute for carborundum another well known abrasive, such as tungsten carbide, because of preferred qualities, such substitution and the embedding thereof in the welded metal did not constitute a new discovery, especially when it was public knowledge that such substituted abrasive had all the qualities desired by the substitution.

The Ringstrom patent, No. 604,569, granted May 24, 1898 [R. 98-100], discloses another example of a method of facing tools and contains a description of supplying heat to the associated mass of material which is to be heated to cause the metal of low melting point to melt and be deposited on the tool and carry with it the pieces of hard substances, depositing them on the tool. This patent says [R. p. 99, lines 37-42]:

“In carrying out the invention I take fine particles of the abrading material—such as diamond-dust, corundum, carborundum, emery, &c.—and give to each particle or granule of such material a metallic coating. This coating may be applied in several ways.”

And at lines 86-98:

“The coated particles are now mixed with the molten metal or alloy, which is to embed them and bind them together. Such metal or alloy may consist of a suitable metal and sulfur, phosphorous, carbon, silicon, or other metalloid. As regards the form of the abrading tool or article, the composition may be cast into the form of disks of different sizes and shapes or be cast on the surfaces of wires or ropes, such as endless ropes for use in cutting stones, &c. It can also be cast on cloth and on the edges of thin metal plates to be used as saw-blades.”

This clearly shows that Ringstrom described and made known to the public that the abrasive material, such as diamond-dust, corundum, carborundum, emery, etc., remains intact at the temperature necessary to bind it to

the tool, and that its identity was not materially changed. Ringstrom also discloses:

causing a fusions to take place between the metal of low melting point and the metal of the tool,

describing this at lines 86-89, p. 1:

“The coated particles are now mixed with the molten metal or alloy, which is to embed them and bind them together.”

While Ringstrom does not specify tungsten carbide, he does not limit himself to the abrasive material mentioned in the patent. There would be no invention in substituting one known abrading element for another well known abrading element, and this is true although the substitution be made for the purpose of securing the known characteristics of such substituted element. This is clearly set forth in the affidavit of Professor Maxstadt [R. 86-89]. There is no contradiction or disputation of Professor Maxstadt's testimony. It stands unquestioned and unimpeached.

These patents and disclosures clearly justify the opinion of this Court in *Stoody Co. v. Mills Alloys, Inc.*, 67 Fed. (2d) 807, at 815, where this Court says:

“There is ample evidence in the record to support these findings.”

i. e., the findings of the special master that tungsten carbide was known and was known as not materially affected by the temperature of the degree of an acetylene torch; that it formed a bond with mild steel or other matrix materials, and would be embedded in the lower melting point metals when welded by an acetylene torch.

The Special Master in His Report in the Second *Stoody v. Mills Alloys Case*, Y-101-J, Misconstrues His Findings and the Decision of This Court in *Stoody v. Mills Alloys, Inc.*, 67 Fed. (2d) 807, and

Said Special Master Erroneously Decides Said Case on an Issue of Priority of Assumed Invention of the So-Called “Hot Rod” Method, Which Issue Is Not Determinative of the Case and Immaterial to Appellant’s Defense in This Case.

In the case of *Stoody Co. v. Mills Alloys, Inc.*, 67 Fed. (2d) 807, an issue raised by the appellant was whether the so-called or therein termed “Hot Rod” method was a part of the prior art or was a part of the invention of Messrs. Stoody and Cole not publicly known or used more than two years prior to the application for the welding rod patent, No. 1,757,601. Defendant, Mills Alloys, Inc., asserted this “hot rod” method as additional defensive matter. Although this Court in its said opinion sustained the findings of fact of the special master respecting such so-called “hot rod” method, this Court does not ground its decision solely upon such so-called “hot rod” method. On the contrary, this Court states (pp. 814, 815), “On the subject of the prior art and of the lack of invention, the master found as follows: * * * There is ample evidence in the record to support these findings.” There was before the Court in that case, as there is here, ample uncontrovertible proof that welding by means of the acetylene torch was old and well known for many years prior to 1927, the date fixed by the master for Messrs. Stoody and Cole’s alleged invention. Notwithstanding this fact, said special master in said second *Stoody Co. v. Mills Alloys, Inc.*, suit upon this method patent, and upon

different testimony, has reversed his finding of fact as to who first used said so-called "hot rod" method and who produced it, and that it was a part of the art prior to Messrs. Stoody and Cole's invention, and having so reversed this one finding of fact he has ignored the general finding of fact made by him in said first case, and approved by this Court, that the use of the acetylene torch in welding was well known. He has reversed his finding that it was known that tungsten carbide could be used advantageously in hard surfacing cutting tools. He has reversed his finding that it was known that tungsten carbide was not materially affected by a temperature of the degree of the acetylene torch and that it formed a bond with mild steel or other matrix metals, and has erroneously found:

"* * * it was not known that tungsten carbide and mild steel could be combined together and simultaneously deposited in a weld by the heat of an acetylene torch to produce a weld in which the tungsten carbide particles would be held embedded in a matrix formed by the steel." [R. 35-36.]

And concluded that:

"The inventors were at liberty to use their knowledge of the hot rod method in the further conception of the method of the patent. Once having that conception they were equally at liberty to draw upon the prior art for the means by which the materials to be welded could be associated together. That the physical structure of the tube used in carrying out their method was not an invention in itself does not detract from the merit of invention here claimed." [R. 36.]

The special master thus falls into the error of deciding the case upon the “hot rod” issue, completely ignoring the ample evidence in the case sustaining his original findings. Furthermore, he totally ignores the fact that the patent in suit does not describe any such “hot rod” method. No justification can exist for the special master’s interpolating a “hot rod” method into the patent in suit.

We have already called to Your Honors’ attention the fact that the only description contained in the patent of a method of use of the welding rod is the statement that

“A layer of metal 5, in which the particles 2 are embedded, is deposited thereon *by melting the end of the welding rod by any suitable means such as an acetylene torch* indicated at 6.” (p. 1, lines 56-60.)

We have heretofore called attention to the fact that unless this reference is to some well known method of welding, such, for example, as the acetylene torch method, the disclosure of the patent in suit does not comply with the requirements of R. S. U. S. Sec. 4888, 35 USCA, Sec. 33. Obviously if such method were then publicly well known, it was not a patentable invention but was in the public domain. There is no description in the patent in suit of said so-called “hot rod” method. If the invention asserted to be novel and asserted to be infringed is the “hot rod” method, it is clear that there is no patent thereon, if such method in fact and substance does differ from the mere use of an acetylene blow pipe or torch in welding. However, the most that can be said of said so-called “hot rod” method is that it differs from the ordinary acetylene torch method of welding only in details of technique and manipulation, which are not in any manner referred to, described, or set forth in the patent

in suit. It is clear, therefore, that the special master in this second *Stoody Co. v. Mills Alloys, Inc.*, case has erred and has attempted to disregard the adjudication of this Court and the uncontradicted and uncontrovertible record evidence disclosing that the method so far as described in the patent in suit is totally old. In 67 Fed. (2d) 807, at 808, the Court says:

“In use, the steel of the tube is melted by the heat of an acetylene torch, and is fused to the steel of the bit.”

This is the whole method and this is the method that the special master originally found was old and which this Court found was old. It is the only method described in the patent.

The Mills patent, No. 1,650,908 [R. 117-120] contains—

“a written description * * * of the manner and process of * * * using it, in such full, clear, concise and exact terms as to enable any person skilled in the art * * * to * * * use”

the method as does the patent in suit. (R. S. U. S., Sec. 4888, 35 USCA, Sec. 33.)

“Such rods are used for example in electrical welding, as one of the electrodes for the arc by the aid of which such rods are fused, and welding thus accomplished; or in fact, the rods can be used in oxy-acetylene welding. Such rods are melted by the heat from whatever source derived, the material from which they are made is caused to adhere closely to the work.” (Mills patent, p. 1, lines 2-11.)

The English patent to Morrison, No. 27,954 of 1908 [R. 106-107] contains even a more detailed description of the use of the acetylene torch method, as follows:

“My ordinary method of working is firstly to fix upright in a vice, the piece of ordinary mild steel, or wrought or cast iron, upon the upper end, edge, or portion, of which I wish to operate. Secondly, to take in my left hand a piece of high grade or tool steel (grasped if necessary within a pair of tongs) and hold it immediately over the other. Thirdly, to take in my right hand, an oxy-acetylene blowpipe, and to apply the hottest part, or the inner white cone apex of its flame simultaneously to the upper end of the mild steel or iron, and the lower end of the high grade steel, for a few seconds until both are in a state of semi-fusion. Then I momentarily direct the flame more particularly to the highly heated end of the high grade steel, until it is so completely fused or liquefied, that portions of it drop away on to the other, and form a complete weld.” (Morrison patent, p. 1, line 34, to p. 2, line 2.)

If we substitute in the foregoing description, in “Secondly” for the words “a piece of high grade or tool steel” the words “the welding rod,” we have a more complete description of the oxy-acetylene blow type method of welding than is contained in the patent in suit. We thus see that, as testified by Professor Maxstadt at R. 90:

“The Morrison patent discloses completely what has been referred to in the Stoody-Mills litigation as the ‘hot rod method’.”

In fact, as pointed out by Professor Maxstadt [R. 91]:

“Any skilled operator of the acetylene torch, applying the ordinary technique of autogenous welding to the welding rod covered in the Stoody patent 1,757,601, would inevitably carry out the method claimed in the patent in suit.”

It is clear that substituting tungsten carbide particles for other high melting point particles without changing otherwise the operation, is not the production of a new method. As said by Judge Davis in *Rohm v. Martin Dennis Co.*, 263 Fed. 106, at 107:

“A process is not a machine, a thing or result. It is the mode or method of operation or action employed in producing a thing or result.”

In that case the patent was for a process of bating hides. Claim 1 read as follows:

“The process for bating hides, which consists in treating the hides with an aqueous extract of the pancreas of animals substantially as described.”

The method disclosed is that instead of using a bate of dog manure and water the patentee used an aqueous extract of the pancreas of animals, the only change in the old process of bating hides being the different bate from that previously used.

“The question, therefore, is whether or not the use of Rohm’s bate, instead of the old dog manure bate, but with the same method of operation, constitutes a new and patentable process. The bate is described in the specification of the patent:

“The principal constituent of the said pancreatic extract is trypsin, the effect of which is materially assisted by the other enzyme of the pancreas, viz. steapsin, which has the property of splitting up fat and completing the saponification of the fat contained in the hides.

“‘Aqueous pancreatic extracts alone have a very efficient bating action, but it is advantageous to add salts of ammonia or of alkalies or mixtures of such

salts. The favorable effect of these salts on hides become apparent chiefly by the fact that the hides shrink, become thinner, and are less liable to become rough, on being placed in pure water after the bating process, which defect is liable to occur when the hides have a strong alkaline reaction and the water contains a considerable quantity of calcium bicarbonate.

“The details of procedure will appear from the following example: A pancreas weighing about 250 grains is extracted with 1 liter of water, and 10 cubic centimeters of this extract are added to 990 cubic centimeters of 0.1 per cent. aqueous solution of ammonium chloride. The solution thus obtained is an excellent bate.

“‘When the hides, which have been limed and have an alkaline reaction, are introduced into the bating liquid, the hides are liable to become rough, through the precipitation of calcium carbonate, in case the water employed contains much calcium bicarbonate in solution. This defect may occur, whether the bating contains trypsin alone, or together with salts of ammonia or alkali, and it may be avoided by subjecting the water intended for the preparation of the bate to a preliminary treatment, which consists in precipitating the carbonic acid by means of a suitable quantity of lime water, or in adding to the bating liquid before the introduction of the hides starch paste or other organic or inorganic materials adapted to envelope the calcium carbonate.’

“This is simply a description of the bate, a product, and the method by which it is extracted or prepared. The patent, however, is not the bate, or preparation thereof, but for its use after being prepared. This is recognized by counsel for complainant who say in their brief (page 20):

“ ‘The patent in suit is for the process of using the bate, not of preparing it.’

“This being true, it follows that the patent is invalid, for it discloses no method of using the bate other than that usually and generally employed in the prior art. In other words, the process in which the dog manure bate and the pancreatic extract bate are used in treating hides is, as admitted by the complainant, one and the same.

“The presence of the enzymes, trypsin and steapsin, in the bating liquid, are the principal constituents that render the bate effective; but these necessary elements were present in the dog manure bate, and practically the only difference between the bate as described by Rohm and the bate which was in common use was the elimination by him of the offensive odor caused by the dung. This being true, can it be said that Rohm invented a new process for bating hides? This must be answered in the negative. There is no patentable novelty in the substitution of one bate even though superior, for another in a well known process. *Electric Boot & Shoe Finishing Co. v. Little, et al.*, 138 Fed. 732, 71 C. C. A. 270.” *Rohm v. Martin Dennis Co.*, 263 Fed. 106, at 109-110).

In principle the foregoing decision applies directly to the case at bar. The substitution or addition of tungsten carbide particles for its known properties and characteristics when embedded in steel does not change the method. On the contrary, such change, if it amounted to invention, amounted to invention of a new welding rod and not to a new method, but the order for injunction appealed from is based upon a claim of patent in a new method, not in

a new welding rod. This same principle is illustrated by the decision in *Werk v. Parker* 249 U. S. 130, 63 L. ed. 514. In that case the Court of Appeals, while finding that the change from camel's hair to horse hair mats was sufficient to constitute invention in the art, if this use of horse hair mats was first disclosed by Werk, nevertheless found from an examination of standard works that the patentee's use was but a revival of an old and well recognized use of such mats in the art of oil extraction. This determination the Supreme Court affirmed, saying at 516-7:

“The burden of petitioner's argument in this Court, as in the application for a rehearing in the circuit court of appeals, is that there was nothing in these publications to show that the horse-hair cloth so familiar in the art embodied the ‘structural characteristics’ of the oil-press mats of the patents in suit, referring to the peculiar mode of weaving described in the claims. But at the hearing it was clearly proved, and was conceded to be beyond controversy, that the patents involved no claim of an improvement in the art of weaving, but only the application of that art and a combination of threads of a certain type and character in order to produce a particular result. And this, in our opinion, goes no further than a mere mechanical adaptation of familiar materials and methods, not rising to the dignity of invention. *Atlantic Works v. Brady*, 107 U. S. 192, 200, 27 L. ed. 438, 441, 2 Sup. Ct. Rep. 335; *Pennsylvania R. Co. v. Locomotive Engine Safety Truck Co.*, 110 U. S. 490, 494, 28 L. ed. 222, 223, 4 Sup. Ct. Rep.

220; Hollister v. Benedict & B. Mfg. Co., 113 U. S. 59, 71, 73, 28 L. ed. 901, 905, 906, 5 Sup. Ct. Rep. 717; Aron v. Manhattan R. Co., 132 U. S. 84, 90, 33 L. ed. 272, 274, 10 Sup. Ct. Rep. 24; McClain v. Ortmayer, 141 U. S. 419, 426, 429, 35 L. ed. 800, 803, 804, 12 Sup. Ct. Rep. 76; Duer v. Corbin Cabinet Lock Co., 149 U. S. 216, 222, 37 L. ed. 707, 710, 13 Sup. Ct. Rep. 850; Wright v. Yuengling, 155 U. S. 47, 54, 39 L. ed. 64, 67, 15 Sup. Ct. Rep. 1; Olin v. Timken, 155 U. S. 141, 155, 39 L. ed. 100, 105, 15 Sup. Ct. Rep. 49; Market Street Cable R. Co. v. Rowley, 155 U. S. 621, 629, 39 L. ed. 284, 288, 15 Sup. Ct. Rep. 224.”

The same principle was applied by this Court in *Kasser Egg Process Co. v. Poultry Producers of Central California*, 50 Fed. (2d) 141, in which this Court affirmed the holding of the trial court that both of the patents in suit were void for want of invention, saying at 151:

“All that patentee Henderson did was to select and substitute a more highly purified mineral oil for the oil previously used in a well known process for preserving eggs.”

See, also:

A. O. Smith Corporation v. Petroleum Iron Works,
73 Fed. (2d) 531, 536—C. C. A. 6th.

In the case of *David E. Kennedy, Inc., v. Beaver Tile & Specialty Co.*, 232 Fed. 477, Judge Learned Hand denied patentability as a method or process where applied to a new material, cork, formerly used upon a similar material, wood, saying at 479-480:

“The substitution of a new material in a mechanical combination may, of course, sometimes require invention. *Frost v. Cohn*, 119 Fed. 505, 56 C. C. A. 185; *Frost v. Samstag*, 180 Fed. 739, 105 C. C. A. 37. But generally the rule is otherwise. Especially ought this to apply to a process patent, where the same process is used upon another material. I do not mean to say that it may not require invention to see the applicability of an old process to a new material. It may take the highest; but I do think that, generally speaking, it will not do so, especially where the method operates in the same way and effects the same results. In the case at bar, the results of the process are precisely the same, whichever material you use, except, of course, that you finish with the same material with which you started.

“In *Brown v. District of Columbia*, 130 U. S. 87, 9 Sup. Ct. 437, 32 L. ed. 863, *Cowing*, the patentee, had got a patent for a method of making street pavements, which was to lay wooden blocks made in the form of frusta of square pyramids and to fill in the square so left open with earth and gravel. In the prior art *Chambers* had a patent for the same thing in stones, the filling to be anything insoluble in water; *Lindsay* had a patent of the same sort, the interstices to be filled with small stones and grout; and *Nicholson* had a patent for blocks of wood spaced by pieces of wood to be filled with concrete. The Supreme Court held that, as the change between *Cowing* and *Chambers* or *Lindsay* was merely a change in material, without any new mode of construction or new result, the patent was void.”

The Court of Customs and Patent Appeals in *In re Dreyfus*, 65 Fed. (2d) 472, 473, said:

“Upon the whole, we think the fair and proper construction of the Board’s decision is that the claims are rejected in the light of the prior art cited, because processes of dry spinning are already patented to appellant and others and were known to the art, and he has added no new feature to the process of dry spinning itself by adding an additional ingredient to, or making changes of ingredients in, the solution which he spins.

“It is our opinion that the conclusion reached by the Board of Appeals is correct. Had appellant presented claims for the product, or were this a chemical case, the issue might be different, but we fail to discern wherein any new step is added to the method considered purely as a method.

“The method of dry spinning described generally in the first part of this opinion is, it seems to us, defined in detail in the earliest of appellant’s prior patents, cited as a reference—patent No. 1,616,787, granted February 8, 1927, and variations as to ingredients of the dry-spinning solution are named in the other references.

“Even if it be conceded as appellant insists, that ‘the less volatile non-solvents and still less volatile solvents do evaporate during spinning,’ we fail to see wherein this adds anything over the prior art to the spinning as a process. See *In re Bronson*, 40 F. (2d) 575, 17 C. C. P. A. 1189; *In re Luten*, 32 App. D. C. 599; *Kasser Egg Process Co. v. Poultry Producers of Central California (C. C. A.)* 50 F. (2d) 141; *Rohm et al. v. Martin Dennis Co. (D. C.)* 263 F. 106, affirmed by the U. S. Circuit Court of Appeals of the Third Circuit in 263 F. 388.”

LACHES AN ESTOPPEL.

The motion for injunction *pendente lite* should have been denied because of plaintiff's laches. The method patent in suit was granted May 5, 1931. This suit was not filed or motion made for injunction until July 1, 1935, over four years thereafter. Plaintiff-appellee has had full knowledge of appellant's alleged infringement since prior to January 31, 1931, four and a half years before any suit was brought or motion for injunction made. The facts are undisputed and shown by letters from appellee's attorneys to appellant. [See R. pp. 42-47.] Plaintiff-appellee elected to stand upon the said welding rod patent No. 1,757,601, and upon September 19, 1931, wrote appellant [R. p. 47]:

"We are at present awaiting a decision of an infringement suit based upon patent No. 1,757,601, of which you are undoubtedly aware as one of your employees was quite regular in attendance in the Court Room during the trial. In the event that the decision in this suit is to the effect that this patent is invalid it is, of course, the intention of our client to let the matter drop as it is neither our client's policy nor ours to harass competitors on an invalid patent."

This statement is of special significance and is to be interpreted in view of appellee's letter of June 29, 1931 [R. p. 45], wherein appellee's attorneys state:

"Since we last wrote you, our client has also received patent No. 1,803,875, which has a close bearing upon patent No. 1,757,601. We are enclosing a copy herewith and ask that you discontinue infringement of this patent also. We would appreciate your acknowledging receipt so that we may establish notice to you of this patent as of this date."

“Up until the present time our client has adopted the policy of refraining from bringing suit against other infringers of patent No. 1,757,601 until the Cause now pending has been decided.”

The final policy adopted and communicated to appellant on September 19, 1931, was, as stated in the letter of that date: “In the event that the decision in this suit is to the effect that this patent is invalid, it is, of course, the intention of our client to let the matter drop,” etc.

By such notice and correspondence appellee intended appellant to understand, and appellant did understand, that the decree in said welding rod patent suit should and would finally end appellee’s assertion of infringement, including all three patents referred to in the correspondence. The verified answer of appellant, used on the hearing as an affidavit, sets forth in paragraph 20 [R. pp. 56-59]:

“20. Defendant further avers that plaintiff caused its attorneys on or about January 31, 1931 to give notice to defendant of said prior Letters Patent No. 1,757,601, charging defendant with infringement of the same through sale of defendant’s mild steel welding rod containing pieces of tungsten carbide; that defendant on June 24, 1931 denied that said acts constituted infringement of any valid claim of said Letters Patent No. 1,757,601; that plaintiff on or about June 29, 1931, caused its attorneys to write defendant mentioning Letters Patent in suit No. 1,803,875 without charging that defendant was infringing the same; that on September 9, 1931 defendant replied to plaintiff’s attorneys stating that defendant’s attorneys advised that defendant might disregard said Letters Patent in suit so far as defendant’s present and pros-

pective products and practises were concerned; that on or about September 19, 1931 plaintiff caused its attorneys to send in reply to said letter of defendant a letter reading as follows:

‘HAZARD & MILLER
Attorneys and Counsellors
Patents and Patent Causes
Central Building
Los Angeles

Sept. 19, 1931.

‘Haynes Stellite Company,
Kokomo, Indiana.

Attention Mr. E. E. LeVan

‘Gentlemen:

We have your letter of September 9th concerning our client’s patent No. 1,803,875. In order that laches can in no way be imputed to our client, we wish to set forth our client’s position.

We are at present awaiting a decision of an infringement suit based upon patent No. 1,757,601, of which you are undoubtedly aware as one of your employees was quite regular in attendance in the Court Room during the trial. In the event that the decision in this suit is to the effect that this patent is invalid it is, of course, the intention of our client to let the matter drop as it is neither our client’s policy nor ours to harass competitors on an invalid patent.

On the other hand if the decision should be in our client’s favor, establishing the validity of the patent, it is our client’s intention to immediately proceed against all infringers. We trust that you will appreciate our client’s position.

We merely wish to inform you of this so that although some time may elapse before this matter is

brought to your attention further, no laches can be imputed to our client's delay in immediately proceeding.

Yours very truly,

HAZARD & MILLER,

(Signed) Per Fred H. Miller.'

"By said letter plaintiff meant and was understood by defendant as meaning, that plaintiff was awaiting the decision in the suit brought by plaintiff against Mills Alloys, Inc., *et al.*, and then pending in this Court, and that no suit would be brought against defendant on the Letters Patent in suit if said prior Letters Patent No. 1,757,601 were held invalid in said suit against Mills Alloys, Inc., *et al.*; that the defendant relied on said representation and meaning and continued the acts now alleged to infringe in said reliance and in the belief that said prior Letters Patent No. 1,757,601 would be held invalid; that said prior Letters Patent No. 1,757,601 were held invalid in said suit brought by plaintiff against Mills Alloys, Inc., *et al.*, and such holding affirmed by the United States Circuit Court of Appeals for this Circuit December 4, 1933; that in reliance thereon defendant has continued and developed its business in the sale of welding rods which is now alleged to infringe the Letters Patent in suit, and has invested large sums in such business; that the plaintiff has failed until after the filing of the bill of complaint herein to give any notice or warning that it desired to withdraw said representation or that it intended to sue this defendant for infringement of the Letters Patent in suit in spite of the decision holding said prior Letters Patent No. 1,757,601 invalid; that the present withdrawal of said representation and the enforcement of the Letters Patent in suit which the plaintiff seeks herein would cause the defendant great damage and injury

and would destroy the business which the plaintiff has thus encouraged and permitted the defendant to develop, would result in an unjust enrichment of the plaintiff and gross inequity as between the parties, and that the plaintiff is thereby estopped to bring or prosecute the present suit or to interfere in any way under cover of the Letters Patent in suit with the defendant's said business, and the plaintiff is further debarred by its laches."

These facts are uncontroverted and unexplained. Not only is laches shown, but the appellee is estopped to now assert either validity or infringement of the method patent. This is particularly and peculiarly true in this case because the injunction in this case enjoins defendant from doing the identical things that an injunction enjoining infringement of said welding rod patent would prohibit. The charge of infringement in this case is that of contributory infringement by the making and selling of the welding rod. Had the welding rod patent been held valid, the injunction would have prohibited the making and sale of the welding rod. Appellee's statement in the letter of September 19, 1931, is to be interpreted, and was interpreted by defendant, in view of such fact. The welding rod patent having been held invalid, and appellant having relied upon appellee's statement, appellee is estopped from asking an injunction prohibiting the manufacture and sale of such welding rod. After the welding rod patent had been decreed invalid, appellee changed front and subsequently, and four and a half years after learning of appellant's manufacture and sale of the welding rod, brought

this suit and moved for injunction. Obviously, appellee and appellee's attorneys thought so little of this method patent or of any possibility of sustaining its validity, that they decided to stand upon, and advised appellant that they would stand upon, the welding rod patent, admitting that this method patent could not be sustained if said welding rod patent were decreed invalid.

We submit that appellee can not sustain this suit on account of this estoppel, and, furthermore, that the Court was in error in not denying the temporary injunction because of the inexcusable laches of plaintiff-appellee.

CONCLUSION.

We respectfully submit that the order appealed from should be reversed; that the patent in suit is clearly invalid both for want of invention and anticipation; that the bill should be dismissed under the rule of *Mast, Foos & Co. v. Stover Mfg. Co.*, *supra*; that the appellee is estopped from asserting infringement of this patent; and that the temporary injunction should have been denied because of appellee's laches.

Respectfully submitted,

FREDERICK S. LYON,

LEONARD S. LYON,

Attorneys for Appellant.

